

AMENDED IN ASSEMBLY APRIL 24, 2014

AMENDED IN ASSEMBLY APRIL 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 2549**

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**Introduced by Assembly Member Ridley-Thomas**

February 21, 2014

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An act to add and repeal Section 53083.2 of the Government Code, relating to ~~redevelopment~~ *local government*.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2549, as amended, Ridley-Thomas. ~~Redevelopment: City of Milpitas.~~

~~Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations, as defined, perform obligations required pursuant to any enforceable obligation, dispose of all the assets of the former redevelopment agency, and remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller.~~

*Existing law declares that it is the policy of the state to protect and promote the sound development of economic opportunity in cities and counties, and the general welfare of the inhabitants of those communities through the employment of all appropriate means. Existing law requires each local agency, as defined to include a city, to provide specified information to the public before approving an economic development*

*subsidy, as defined, within its jurisdiction, and to review, hold hearings, and report on those subsidies at specified intervals.*

This bill would authorize the City of Milpitas, on or before April 1, 2015, to organize an independent local commission, composed of the city manager, as an ex officio member, and 7 specified members appointed by the Milpitas City Council, to investigate and study ~~the consequences of the dissolution of redevelopment on issues related to~~ employment, revenues, and economic activity in order to identify and recommend ways to raise revenues for specified purposes.

This bill would repeal these provisions on January 1, 2017.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City of Milpitas.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares all of the  
2 following:  
3 ~~(a) The dissolution of redevelopment by the state has been~~  
4 ~~devastating in the City of Milpitas (city) and to its citizens.~~  
5 ~~(b) As a result of the dissolution of redevelopment, the city has~~  
6 ~~lost \$39 million in annual local tax revenues.~~  
7 ~~(c) The dissolution of redevelopment has~~  
8 ~~(a) Recent losses of local funding have degraded public safety~~  
9 ~~in the city City of Milpitas (city) as the city has cut employment.~~  
10 Since the 2011–12 fiscal year, the city has laid off 110 employees,  
11 including 12 firefighters, and has been unable to fill 147 other  
12 positions that would otherwise had been filled, including 13 police  
13 officer positions.  
14 ~~(d) The dissolution of redevelopment~~  
15 ~~(b) A lack of economic development tools has stopped investment~~  
16 in previously approved critical infrastructure in the city. Two  
17 hundred twenty million dollars worth of road, water, and sewer  
18 ~~improvements located within the redevelopment project area,~~  
19 ~~improvements,~~ which had been approved in the capital  
20 improvement plan of the city, cannot be constructed. Other projects,  
21 including infrastructure projects have been delayed due to  
22 significant funding shortfalls in the city’s general fund to maintain  
23 streets. ~~With the elimination of redevelopment, the~~ The city’s

1 annual shortfall to maintain its Metropolitan Transit  
2 Commission-mandated Pavement Condition Index goal of 70 is  
3 \$4 million per year.

4 ~~(e) The dissolution of redevelopment~~

5 *(c) A lack of economic development tools* has stopped previously  
6 approved development projects in the city, including a 120-room  
7 hotel and a low- and moderate-income senior housing project.  
8 With respect to the latter project, the project developer had agreed  
9 to employ 100 full-time medical and caregiver positions. Both  
10 projects had completed permits and land use reviews, including  
11 reviews under the California Environmental Quality Act.

12 ~~(f) The dissolution of redevelopment has spurred litigation~~  
13 ~~between the city, which was the second largest redevelopment~~  
14 ~~agency within the County of Santa Clara, as the state and county~~  
15 ~~have sued the city for \$55 million.~~

16 ~~(g)~~

17 *(d)* The city desires to ensure the greatest amount of citizen  
18 participation to increase economic activity in the McCarthy Ranch  
19 area of the city near the Newby Island landfill in order to find new  
20 revenue sources to replace the funds, restore losses of firefighters  
21 and police officers, maintain and upgrade critical infrastructure,  
22 and generate employment and economic activity through previously  
23 approved private investment.

24 SEC. 2. Section 53083.2 is added to the Government Code, to  
25 read:

26 53083.2. (a) On or before April 1, 2015, the City of Milpitas  
27 may organize an independent local commission to investigate and  
28 ~~study the consequences of the dissolution of redevelopment on~~  
29 *issues related to* employment, revenues, and economic activity in  
30 order to identify and recommend ways to raise revenues to increase  
31 city staff to adequate levels, to invest in infrastructure and  
32 development projects, and to increase economic activity in the  
33 McCarthy Ranch area of the City of Milpitas near the Newby  
34 Island landfill.

35 (b) The commission shall be composed of seven people  
36 appointed by the Milpitas City Council, as follows:

37 (1) One member of the business community who is also a  
38 member of the Milpitas Chamber of Commerce.

39 (2) One employee of the City of Milpitas Fire Department.

40 (3) One employee of the City of Milpitas Police Department.

1 (4) One member of a local union that is unaffiliated with public  
2 employee unions representing workers for the City of Milpitas.

3 (5) One owner of real property within the McCarthy Ranch area  
4 of the City of Milpitas near the Newby Island landfill.

5 (6) Two residents of the City of Milpitas.

6 (c) The city manager of the City of Milpitas shall be an ex  
7 officio member of the commission and report on the commission's  
8 activities to the Milpitas City Council.

9 (d) The commission shall elect its own chairperson.

10 (e) Within one year of the City of Milpitas forming the  
11 commission, the commission's authority shall cease.

12 (f) This section shall remain in effect only until January 1, 2017,  
13 and as of that date is repealed, unless a later enacted statute, that  
14 is enacted before January 1, 2017, deletes or extends that date.

15 SEC. 3. The Legislature finds and declares that a special law  
16 is necessary and that a general law cannot be made applicable  
17 within the meaning of Section 16 of Article IV of the California  
18 Constitution because of the unique circumstances in the City of  
19 Milpitas, where parcels on the west side of Interstate 880 and to  
20 the east of Coyote Creek in the McCarthy Ranch area of Milpitas  
21 near the Newby Island landfill, the San Francisco Bay area, and  
22 the regional water pollution control plant face particular challenges  
23 to economic development as a result of their restrictive location.